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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 17 March 1955

MEMORANDUM FOR:

Deputy Director (Intelligence)

SUBJECT:

Offshore Island Situation

## General

Radio Peiping on 16 March took note that Secretary of State Dulles the previous day "reiterated threats that the US would use armed force to prevent China from liberating Taiwan (Formosa), the Penghu (Pescadores) islands and 'related areas' ..." The broadcast quoted the Secretary to the effect that "'it might in the future be judged...that the defense of Quemoy and Matsu was called for.'" The broadcast also observed that "Dulles tried to intimidate the people of the world" by citing the presence in the Far East of "'a strategic force with a high degree of striking power...' equipped with atomic weapons."

According to a somewhat doubtful report, pilots of four Chinese Nationalist F-84 jet fighters on 15 March sighted what appeared to be construction of a new airfield on the southeastern China coast. The site is said to be two miles long and 3,500 yards wide. It is located about 40 miles southwest of Swatow, on the road between Canton and Swatow.

No photo confirmation of this development was made by the Nationalist planes, ostensibly "owing to poor weather conditions." MAAG reports, however, that at about the same time a formation of MIG-15's from Canton tried to intercept the Nationalist planes. MAAG comments that this is the first report of an intercept attempt in the Swatow area. Communist planes, however, were reported patrolling in this vicinity on one previous occasion last November.

Without photos, the construction of this "airfield" near Swatow is difficult to accept. Nationalist pilots have recently reported four other large cleared sites in the same area, about 40-50 miles southwest of Swatow. The Nationalist defense ministry reports that they are intended for a state mechanized farm.

PACOM Review Completed

SEE REVERSE FOR DECLASSIFICATION ACTION

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#### Matsu

Nothing significant to report.

# Quemoy

A MAAG test team reports that there has been a marked improvement in general alertness of Nationalist troops in Quemoy. Test firing of final protective lines and a night blackout move by a tank battalion were well done, in a recent exercise involving a mock landing by enemy troops. The team concluded that the beach barrier system is still unsatisfactory, however, and that too much effort is being expended on nonessential construction.

## Weather

Forecast for the next 48 hours is rain and fog, visibility 1-2 miles, with gradual clearing toward the end of the period. Winds are northeast 12-20 knots increasing to 25-30 knots, with seas becoming increasingly rough.

Assistant Director, Current Intelligence